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CONSPIRATOR IN HURRICANE KATRINA FRAUD SCHEME
SENTENCED FOR THEFT OF DISASTER MONEY

SACRAMENTO--United States Attorney McGregor W. Scott announced today that SHAWN R. CUDABACK, 26, formerly of Marysville, was sentenced today to serve a 36 month term of federal supervised release, a 46 day jail term as credit for time served, restitution of \$2,360 and a \$200 special assessment by United States District Judge Lawrence K. Karlton for conspiring to use the United States mail to obtain Hurricane Katrina disaster money through FEMA (the Federal Emergency Management Agency) and for making a false claim upon the United States for Hurricane Katrina disaster relief.

This case was investigated by the Department of Homeland Security, Office of Inspector General, and the United States Postal Inspection Service.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate, and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud, and insurance fraud. The Hurricane Katrina Fraud Task Force-chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division-includes the FBI, the United States Inspectors General community, the United States Secret Service, the United States Postal Inspection Service, the Executive Office for United States Attorneys, and others.

According to Assistant United States Attorney Michelle Rodriguez, who prosecuted this case, CUDABACK -- working in September 2005 with co-conspirators JOHN P. HOUSLEY, 49, and CRYSTAL J. HOUSLEY, 27 -- conspired to defraud the United States government. On December 7, 2006, CUDABACK was convicted of the conspiracy charge and of making a false claim upon the United States. CUDABACK and his co-conspirators devised a scheme to steal over \$10,000 in cash aid and financial housing assistance intended for needy victims of Hurricane Katrina. The conspirators executed the plan by falsely claiming to be displaced disaster victims after having moved to the Marysville, California area from Arkansas shortly before Hurricane Katrina. The defendants agreed to back each others' false applications for disaster aid by affirming they all relocated in the Marysville area from a declared Louisiana disaster location. On February 27, 2007, CUDABACK's co-conspirators, JOHN P. HOUSLEY

and CRYSTAL J. HOUSLEY were similarly convicted of the conspiracy charge and of making false claims upon the United States. JOHN P. HOUSLEY received a federal prison sentence of ten months. CRYSTAL J. HOUSLEY received a federal prison sentence of six months (three months jail plus three months in custody at a Community Corrections Center). Each defendant was additionally sentenced to serve, following completion of the term of imprisonment, a 36 month term of federal supervised release. JOHN P. HOUSLEY was ordered to pay full restitution of \$3,221.00 and CRYSTAL J. HOUSLEY was ordered to pay full restitution of \$4,894.91. Each defendant was remanded into prison after sentencing.

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